



International Issues

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Who Must File?

- All US citizens and resident aliens (Green Card Holders) file Form 1040
- Nonresident aliens file Form 1040NR

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What Income Must Be Reported?

- US Citizens and Resident Aliens:
Must report worldwide income
from all sources
- Nonresident Aliens:
Must report US source income

Avoiding Double Taxation

US Citizens and Resident Aliens:

- Foreign Earned Income Exclusion (Form 2555)
- Foreign Tax Credit (Form 1116)
- Tax Treaties

Nonresident Aliens:

- Tax Treaties

Tax Treaties

- Specify which country has taxing rights for various types of income
- Provide for reduced rates of tax on certain types of income
- U. S. Tax treaties contain a “Savings Clause”; allows U.S. to tax its citizens and residents as if the treaty does not exist

International Forms

- TDF 90-22.1 – Report of Foreign Bank and Financial Accounts
- 3520 – Annual Return to Report Transactions With Foreign Trusts/ Receipt of Certain Foreign Gifts
- 3520-A – Annual Return of Foreign Trust with a US Owner

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International Forms

- 5471 – Information Return of US Persons With Respect to Certain Foreign Corporations
- 5472 – Information Return of a Foreign Owned Corporation
- 8898 – Statement for Individuals Who Begin or End Bona Fide Residence in a US Possession

Compliance Issues

- Foreign Tax Credits
- Foreign Earned Income Exclusion
- Foreign Athletes and Entertainers
- Foreign Embassy Employees
- Nonfilers
- Foreign Trusts

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Service-wide International Strategy

- Improve International Taxpayer Service
- Enhance Enforcement of International Tax Laws
- Modernize the IRS through its People, Processes, and Technology

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Need Help?

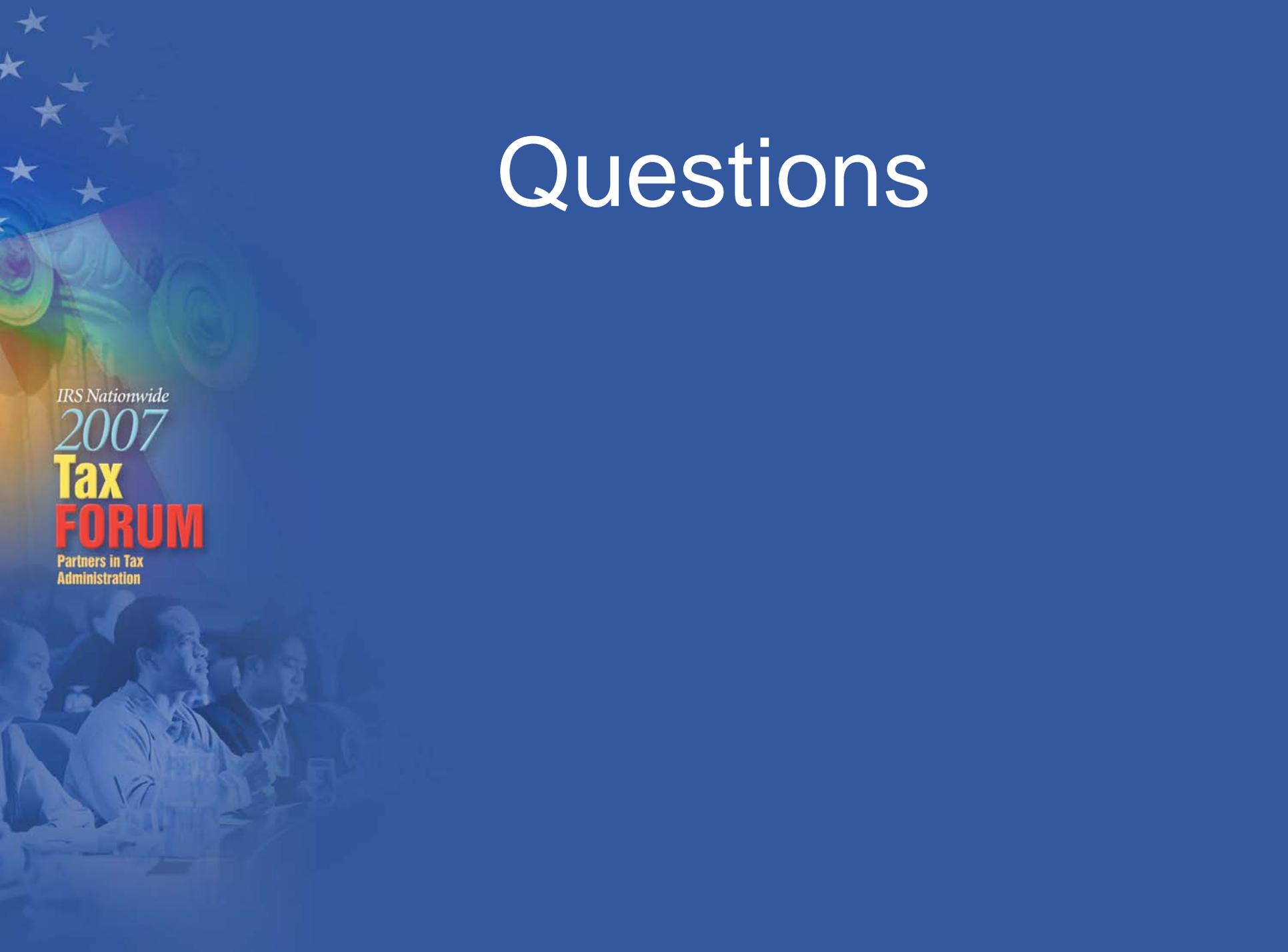
- Call International Customer Service at (215) 516-2000 (not toll free)
Mon.–Fri. 6:00 a.m.–11:00 p.m. EST

- Check www.irs.gov

Helpful publications:

54, 514, 519, 901, 4588

Questions



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